

BILL # HB 2268

TITLE: cancer insurance; firefighters; peace officers

SPONSOR: McClure

STATUS: As Introduced

PREPARED BY: Eric Jorgensen

FISCAL ANALYSIS

Description

This bill expands the benefits of the Fire Fighter Cancer Insurance Program to all members of the Public Safety Personnel Retirement System (PSPRS). Currently, the program is only available to members who are firefighters; this bill would require that all peace officers participate as well. This program provides a cash benefit to members diagnosed with cancer to help with the costs of treatment not covered by health insurance.

Estimated Impact

At the current employer premium of \$100 per employee per year, this bill has an estimated annual cost of \$124,100 from the General Fund and \$37,700 from other appropriated funds beginning in FY 2008.

Analysis

Along with pension benefits, PSPRS administers an insurance program that provides a cash benefit as well as reimbursement of certain costs associated with cancer treatment. Unlike the pension benefit, the cost of the PSPRS cancer insurance is a set per employee premium paid by the employer, not percentage of salary. The employer premium amount is set by the PSPRS board and is statutorily capped at \$180 per employee per year. Currently, the employer premium amount set by the board is \$100 per employee per year.

State agencies report 1,839 peace officers in PSPRS who would be required to enroll in the program. At \$100 per employee, this would result in an annual cost of \$124,100 from the General Fund and \$37,700 from other appropriated funds. There would also be a cost to state agencies of \$22,100 in non-appropriated funds. These amounts are displayed by agency in *Table 1*.

Table 1			
Fiscal Impact by State Agency			
<u>Agency</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Non-Appropriated Funds</u>
Department of Administration	\$ 2,400	\$ --	\$ --
Automobile Theft Authority	--	1,600	--
Attorney General	900	1,100	1,800
Department of Public Safety	105,300	19,100	16,100
Game and Fish Department	--	11,500	3,400
Liquor License and Control Department	1,700	--	800
State Parks Board	--	4,900	--
Arizona State University	5,800	--	--
Northern Arizona University	1,500	--	--
University of Arizona	6,000	--	--
Total	\$124,100	\$37,700	\$22,100

(Continued)

Local Government Impact

Because PSPRS includes local government employers, there will also be a local government cost. According to information from PSPRS, there are 11,131 peace officers in PSPRS funded by local governments. At \$100 per employee, the annual cost to local governments of including these members would be \$1,113,100.

2/27/07